

Author: Simitian Analyst: Janet Jennings Bill Number: SB 506Related Bills: None Telephone: 845-3495 Introduced Date: February 17, 2011Attorney: Patrick Kusiak Sponsor: _____**SUBJECT:** Registered Warrants For Payment Of A Tax Liability & For Principal Or Interest Due On A State Bond

- ☒ ANALYSIS NOT REQUIRED of this bill – Not within scope of responsibility of this department.
- ☐ TECHNICAL BILL – No program or fiscal changes to existing program.
- ☐ BILL AS AMENDED NO LONGER WITHIN SCOPE of responsibility or program of the department.
- ☐ TECHNICAL AMENDMENT – No change in previously submitted analysis required. Approved position of prior analysis is _____.
- ☐ MINOR AMENDMENT – Remainder of previous analysis of the bill as introduced/amended _____ still applies.
- ☐ MINOR AMENDMENT – No change in approved position of _____. See Comments below
- ☒ OTHER – See comments below.

COMMENTS:

This bill would define the beneficial owner of a registered warrant, issued for the principal or interest due on a state bond that is held in book entry by a securities settlement system, as exclusively to be the taxpayer who is permitted to submit a check in payment as of an existing tax liability. This bill would authorize the Controller to promulgate regulations to implement the provisions of this bill.

Under state law, if a taxpayer has a Personal Income or Corporate tax liability and is a payee named in a registered warrant, the taxpayer may pay any tax liability, in whole or in part, either by submitting the warrant to the tax agency, or by a check in an amount not to exceed the amount of the registered warrant. State law provides that the check may not be presented for payment by the state or paid by the bank until the registered warrant is payable upon its presentation to the Treasurer. These provisions apply only if the check is presented with a copy of the registered warrant.

Providing for a beneficial owner to submit a warrant for payment of a tax liability would not impact the departments programs or operations because procedures are currently in place to allow for acceptance of registered warrants.

Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input checked="" type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input type="checkbox"/> PENDING

Franchise Tax Board Staff

Date

Janet Jennings

03/07/11